

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 3 — 0 1 3

2. STATE:

South Carolina

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Section 1902(a)(14) of the Social Security Act.

7. FEDERAL BUDGET IMPACT:

a. FFY 03-04 \$ 1,299

b. FFY 04-05 \$ 2,598

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

BASIC TEXT, Pages 54, 56 & 56e; Attachment 4.18-A
Page 1; ATTACHMENT 4.19-A, Pages 4 & 32;
ATTACHMENT 4.19-B, Pages 1a.1, 1a.2, 1e, 1f,
1g, 2a, 3, 3a, 3b & 59. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):BASIC TEXT, Pages 54, 56 & 56e; ATTACHMENT
4.18-A Page 1; ATTACHMENT 4.19-A, Pages
4 & 32; ATTACHMENT 4.19-B, Pages 1a.1, 1e,
1f, 1g, 2a, 3, 3a, 3b & 5

10. SUBJECT OF AMENDMENT:

To allow co-payments for certain Medicaid services including office visits, durable medical
equipment, optometry, chiropractors, podiatry, home health, clinical and dental services,
pharmaceutical for ages 19-21, inpatient admission and out-patient (non emergency services).

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL☒ OTHER, AS SPECIFIED:Mr. Kerr is the Governor's designee to
sign State Plan Amendments.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Robert M. Kerr

14. TITLE:

Director

15. DATE SUBMITTED:

August 29, 2003

16. RETURN TO:

SC Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

September 2, 2003

18. DATE APPROVED:

November 26, 2003

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

Hugh Webster
22. TITLE: Acting Associate Regional Administrator
Division of Medicaid & Children's Health

21. TYPED NAME:

Hugh Webster

23. REMARKS:

Approved with the following changes to Item 8 and Item 9:

Item 8: Add "Attachment 4.18-A, Page 2"

Item 9: Add "Attachment 4.18-A, Page 2"

Revision: HCFA-AT-91-4 (BPD)
AUGUST 1991

OMB No.: 0938-

State/Territory: South Carolina

Citation

42 CFR 447.51
through 447.58

4.18 Recipient Cost Sharing and Similar Charges

1916(a) and (b)
of the Act

(a) Unless a waiver under 42 CFR 431.55(g) applies, deductibles, coinsurance rates, and copayments do not exceed the maximum allowable charges under 42 CFR 447.54.

(b) Except as specified in items 4.18(b)(4), (5), and (6) below, with respect to individuals covered as categorically needy or as qualified Medicare beneficiaries (as defined in section 1905(p)(1) of the Act) under the plan:

(1) No enrollment fee, premium, or similar charge is imposed under the plan.

(2) No deductible, coinsurance, copayment, or similar charge is imposed under the plan for the following:

(i) Services to individuals under age 18, or under--

[x] Age 19

[] Age 20

[] Age 21

Reasonable categories of individuals who are age 18 or older, but under age 21, to whom charges apply are listed below, if applicable.

(ii) Services to pregnant women related to the pregnancy or any other medical condition that may complicate the pregnancy.

TN MA 03-013

Supersedes

TN MA 03-011

Effective Date 01/01/04

Approval Date NOV 26 1993

Revision: HCFA-AT-91-4 (BPD)
AUGUST 1991

OMB No.: 0938-

State/Territory: South Carolina

Citation
42 CFR 447.51
through 447.58

4.18 (b) (continued)

(3) Unless a waiver under 42 CFR 431.55(g) applies, nominal deductibles, coinsurance, copayment or similar charges are imposed for services that are not excluded from such charges under item (b) (2) above.

☐ Not applicable. No such charges are imposed.

(i) For any service, no more than one type of charge is imposed.

(ii) Charges apply to services furnished to the following age groups:

☐ 18 or older

☒ 19 or older

☐ 20 or older

☐ 21 or older

☐ Charges apply to services furnished to the following reasonable categories of individuals listed below who are 18 years of age or older but under age 21.

TN MA 03-013
Supersedes
TN MA 92-007

Effective Date 01/01/04
Approval Date NOV 9 6 2003

Revision: HCFA-AT-91-4 (BPD)
AUGUST 1991

OMB No.: 0938-

State/Territory: South Carolina

Citation

4.18 (c) (3) Unless a waiver under 42 CFR 431.55(g) applies, nominal deductibles, coinsurance, copayment or similar charges are imposed on services that are not excluded from such charges under item (b) (2) above.

☐ Not applicable. No such charges are imposed.

(i) For any service, no more than one type of charge is imposed.

(ii) Charges apply to services furnished to the following age groups:

☐ 18 or older

☒ 19 or older

☐ 20 or older

☐ 21 or older

Reasonable categories of individuals who are 18 years of age, but under 21, to whom charges apply are listed below, if applicable.

TN MA 03-013

Supersedes

TN MA 92-007

Effective Date 01/01/04

Approval Date NOV 13 2003

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

A. The following charges are imposed on the categorically needy for services other than those provided under section 1905)a)(1) through (5) and (7) of the Act:

Service	Type of Charge			Amount and Basis for Determination
	Deduct.	Coins.	Copay.	
				Providers are authorized to collect the maximum copayment based on the State's payment for the services consistent with 42 CFR 447.55.
Pharmacy			X	3.00
Physicians' Services			X	2.00
Podiatrists' Services			X	1.00
Optometrists' Services			X	1.00
Chiropractor's Services			X	1.00
Nurse Practitioners			X	2.00
Licensed Midwives' Services			X	2.00
Ambulatory Surgical Clinic			X	2.00
Federally Qualified Health Centers			X	2.00
Home Health Services			X	2.00
Rural Health Clinics			X	2.00
Dental			X	3.00
Durable Medical Equipment			X	3.00
Outpatient Hospital (non-emergency) services			X	3.00
Inpatient Hospital				25.00

TN No. MA 03-013

Supercedes

TN No. MA 88-10

Approval Date: NOV 15 2003

Effective Date: 01/01/04

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: South Carolina

- B. The method used to collect cost sharing charges for categorically needy individuals.

☒ Providers are responsible for collecting the cost sharing charges from individuals.

☐ The agency reimburses providers the full Medicaid rate for a service and collects the cost sharing charges from individuals.

- C. The basis for determining whether an individual is unable to pay the charge, and the means by which such an individual is identified to providers, is described below:

Federal limits on the services for which co-payment applies restrict the maximum co-payment charges. The State's scope of services is broad and eligible recipients have low, if any, out-of-pocket medical expenses; therefore, the state believes that all recipients within the class that are subject to co-payments should be able to pay the required co-payment.

Should a recipient claim to be unable to pay the required co-payment, the provider may not deny service, but may arrange for the recipient to pay the co-payment at a later date. Any uncollected amount is considered a debt to providers.

TN No. MA 03-013

Supersedes

TN No. MA 87-09

Approval Date

NOV 26 2003

Effective Date 01/01/04

HCFA ID: 0053C/0061E

inclusive rate. Each facility's per diem rate will be calculated using base year data trended forward. Section V B describes the rate calculation.

15. Effective October 1, 1998, reimbursement for statewide pediatric telephone triage services will be available for the designated South Carolina Children's Hospitals. Payment will be based on the Medicaid portion of allowable service cost.
16. Effective October 1, 1999, a small hospital access payment will be paid to qualifying hospitals that provide access to care for Medicaid clients.
17. Effective October 1, 2000, hospitals participating in the SC Universal Newborn Hearing Screening, Detection, and Early Intervention Program will be reimbursed for Medicaid newborn hearing screenings. Effective July 1, 2001, all hospitals will be eligible for this reimbursement.
18. Effective August 1, 2001 through May 13 2002, South Carolina non-state owned public hospitals will be eligible for a lump sum payment from a newly created Upper Payment Limit pool. Payment will be made as described in Section VIII of this plan.
19. Effective for admissions on or after October 1, 2001, hospitals will be reimbursed for Norplant and Depo-Provera.

Effective for admissions on or after January 1, 2004 a standard co-payment amount of \$25 per admission will be charged when a co-payment is applicable.

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amount will be prospectively set using the most current available base year data trended forward. Cost will be trended using the CMS Hospital Market Basket Forecast Rates. Payments will reflect changes from the base year to the payment period. For FFYs 2002 and 2003, the base year cost report used was FY 1999.

Effective for services provided on or after January 1, 2003, all contracting public hospitals will receive inpatient and outpatient retrospective cost settlements. In calculating these settlements, allowable cost and payments will be calculated in accordance with the 100% UPL methodology defined in Section VIII B of this Attachment and Section 2.a.I.A.5 of Attachment 4.19-B.

P. Graduate Medical Education Payments for Managed Care Patients

For clarification purposes, the SCDHHS will pay teaching hospitals for SC Medicaid graduate medical education (GME) cost associated with SC Medicaid managed care patients. The managed care GME payment will be calculated the same as the medical education payment calculated by the fee-for-service program. It will be based on quarterly inpatient claim reports submitted by the managed care provider and the direct and/or indirect medical education add-on amounts that are paid to each hospital through the fee-for-service program. Payments will be made to the hospitals on a quarterly basis or less frequently depending on claims volume and the submission of the required data on the claim reports.

Q. Co-Payment

A standard co-payment amount of \$25 per admission will be charged when a co-payment is applicable. The co-payment charged is in accordance with 42 CFR 447.53, 447.54(c) and 447.55.

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4. Effective for services provided on or after October 1, 2001, qualifying public disproportionate share hospitals (DSH) will be eligible to receive outpatient payment adjustments from a designated pool of funds. The pool will be proportionately allocated based on each qualifying public DSH hospital's unreimbursed outpatient cost and the level of available funding. This payment will not exceed 100% of the Medicaid outpatient Upper Payment Limit based upon the FY cost report used to establish DSH payments. For FY 2003, this pool is only available to FY 2002 qualifying public DSH hospitals, and payment levels will be set at FY 2002 payment levels subject to available funding.

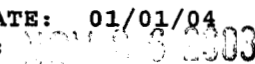
5. 100% UPL

Effective for services on or after January 1, 2003, public hospitals will receive Medicaid inpatient and outpatient retrospective cost settlements. The following methodology describes the cost settlement process for outpatient allowable cost. The inpatient cost settlement process can be found in Attachment 4.19-A Section VIII B.

- a. Pending receipt of the cost report for the cost settlement period the base year cost report used for DSH payment purposes will be used to calculate an interim cost settlement. For FY 2003 the FY 1999 cost report period will be used. Each hospital's interim cost settlement will be equal to that hospital's trended allowable base year cost minus payments adjusted for new Medicaid revenue since the base year. New Medicaid revenue will include any base rate increases since FY 1999 plus outpatient payment adjustments paid in addition to the claims payments (eg. small hospital access payments and public DSH hospital outpatient pool payments).
- b. Trended allowable base year cost will be calculated using the following method. For FY 2003 each hospital's FY 1999 Medicaid outpatient allowable charges will be multiplied by the hospital's FY 1999 cost-to-charge ratio to determine the base year cost. This cost will be inflated from the base year to the payment period using the mid-year-to-mid-year inflation method and the CMS Market Basket Indices as described in Attachment 4.19-A, Section VII.A.3.
- c. The interim cost settlement amount will be determined at the beginning of the federal fiscal year and interim cost settlement adjustments will be paid quarterly throughout the year. Once the cost reports for the cost settlement period are received, final cost settlements will be determined and final cost settlement adjustments will be processed.

6. CO-PAYMENT FOR OUTPATIENT HOSPITAL NONEMERGENCY SERVICES;

Effective January 1, 2004, there is a standard co-payment (42 CFR 447.55) of \$3.00 per outpatient non-emergency service furnished in a hospital emergency room when co-payment is applicable (42 CFR 447.53). Emergency services are not subject to co-payment.

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